



September 2, 2014

Marlene H. Dortch
Secretary
Federal Commissions Commission
445 12th Street SW
Washington, DC 20554

Re: Eligible Services List, CC Docket No. 02-6; GN Docket No. 09-51; WC Docket 13-184

Dear Ms Dortch,

The purpose of this letter is to make comments regarding the Draft Eligible Service List for FY2015. Here are my comments:

- The E-rate Modernization Order (FCC14-99) does not address the telecommunications component of video conferencing or distance learning or the Internet-based distance learning and/or video conferencing services. The Draft FY2015 Eligible Services list parallels the E-rate Modernization Order in all other areas but not in the area of video conferencing or distance learning. To be consistent I recommend the FY2015 Eligible Service list include these components as eligible.
- The E-rate Modernization Order (FCC 14-99) establishes as a goal "Making the E-rate Application Processes Fast, Simple, and Efficient." However the Order adds to the administrative burden of applicants by requiring the applicant to deduct text messaging, directory assistance, custom calling services, direct inward dialing, 900/976 call blocking, and inside wire maintenance as part of Category One telephone service components (See paragraph 146 of the Order). Because of the marginal cost of these services and since there is inconsistency among service providers in listing them as line items on their monthly invoices or as part of a bundled service, I recommend the FY2015 Eligible Services List include these services as eligible, as has been past practice since 1998. The Commission is already achieving its goal of assuring additional funding for high-speed broadband by implementing a 20% voice services phase down for FY2015. The Commission will not realize significant additional funding by eliminating E-rate support for the previously mentioned telephone service components and will violate its own goal of "Making the E-rate Application Processes Fast, Simple, and Efficient." I am 100% confident that the only thing this requirement of eliminating telephone service components will achieve is adding significant administrative burden to the applicant. I do appreciate but do not support the FCC's position in Paragraph 149 of the Order that states — *"We recognize that removing telephone components from the ESL in funding year 2015 will require some providers to change their billing practices or require some applicants to cost allocate the cost of those services from their requests for support. However, because these services are typically provided as an add-on or enhanced services for an extra fee, they are often presented as separate line items on telephone bills. Accordingly, it should not be overly burdensome for applicants to*

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seek funding for the voice component of the telephone service only, and provide a cost allocation for any telephone features we remove from the ESL. For telephone feature costs that are bundled with the cost of voice services, one way to determine the cost of the feature is for an applicant to seek an appropriate cost allocation from its service provider. We find that the benefits of streamlining support for voice services by removing funding for these services to enable that support to be used for essential educational purposes outweigh any burdens applicants may face in the next few funding years....."

The type of statements in bold print "shocks the conscience" of this Erate practitioner of many years and demonstrates the Commission's and WCB's lack of comprehension of the day to day realities of participating in the Erate program. The honest truth is service providers that don't already bill these components separately are not going to change their billing practices to satisfy the Commission's requirement for line items on "newly declared" ineligible components. Service providers are not going to respond to requests for cost allocation of bundled services. Nor will these service providers respond to requests from applications for cost allocation of bundled services. It will then fall to PIA and the applicant to resolve this conflict. This is truly a waste of human resources at all levels that truly **will not** "outweigh any burdens applicants may face in the next few funding years."

Should you have further questions or information contained within this letter, please do not hesitate to contact me at charlie@adtecerate.com.

Thank you for your consideration.

Sincerely,



Charles F. Hobbs, PhD
President

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